

# STICHTING HORIZON

---

## **Objective**

Stichting Horizon, a European foundation with its legal seat in the Netherlands was founded on 28 January 1997. Its purpose is (i) to promote the general good, in particular cultural, educational and social affairs, (ii) to distribute funds for social, charitable, scientific and/or cultural ends, and (iii) to administer the foundation's capital in such a manner that the realisation of the foundation's objects is secured long-term. The foundation does not seek to make a profit (Article 2, Articles of Association).

## **Governance**

The foundation is governed by three documents:

- Articles of Association (as amended on November 5, 2020);
- Regulations of the board of Stichting Horizon (as adopted on 30 November 2013 & revised on December 12, 2020);
- Strategy Stichting Horizon 2022 -2025<sup>1</sup>.

<sup>1</sup> In its meeting held on July 2nd, the Board formally adopted the strategy for the period 2022 – 2025. The changes compared to the previous versions are modest. The Board and Project Committee are in agreement that Horizon's mission and strategy are still embraced and widely supported and do not require any fundamental changes.

The adjustment of the strategy is mainly to avoid projects or beneficiaries being completely dependent (in the long term) on Horizon. But it is understood that in some cases it is extremely difficult for Beneficiaries to find funds from other parties. Nevertheless, all Beneficiaries should understand that they need to look for other sources to support their projects and not to have a 100% dependency on Horizon. It will be part of Horizon's mission to encourage Beneficiaries to find other sponsors in order to secure their own long-term survival.

In its meeting held on December 10<sup>th</sup>, all members of the Project Committee signed a Code of Conduct.

## **Fiscal Status**

Horizon is a fiscally recognized charity. Its activities are not subject to corporate income tax. Gifts into and out of Stichting Horizon are exempt from gift taxes. The Dutch tax office reconfirmed the formal status of 'Algemeen Nut Beogende Instelling' (Institution for General Benefit (ANBI) in a letter dated January 20, 2016.

## **Memberships**

Stichting Horizon is a member of the following organizations:

- Vereniging van Fondsen in Nederland - FIN (organization of foundations in The Netherlands), since 1997;

## **REPORT ON 2022**

### ***Meetings***

In principle, the Board & Project Committee meet twice a year. In 2022 the annual meeting took place on July 2<sup>nd</sup> and the budget meeting was held on December 10<sup>th</sup>. Both meetings took place in Amsterdam, Netherlands.

### ***Projects & Beneficiaries***

All Horizon projects are assigned to individual members of the Project Committee who act as sponsors and are the main contact for the Beneficiaries of the approved projects. The Office is responsible for liaising with the beneficiaries on operational and financial matters and monitors if beneficiaries are in compliance with Horizon's standards on governance and (financial) transparency.

### ***Regular Beneficiaries***

Horizon recognizes regular beneficiaries, with whom it has a long term relationship. These organizations are Caucasian House (CH) in Tbilisi, Georgia and the Mihai Eminescu Trust (MET) in Sighișoara, Romania. These Beneficiaries have in common that they (1) have gradually developed a diversified project range, (2) aim to attract funding for their activities from different sources, (3) employ (some) staff and (4) they are allocated a fixed budget for projects every year. These budgets include a contribution to cover overhead and salary costs. In practice, it is very difficult to find other donors willing to take on these costs, even though they are essential for the organisations' continuation. The assurance of Horizon's multi-year financial support has allowed these beneficiaries to focus on further developing their organisation and expanding their project portfolio. In 2022, approximately 38% (2021: 36%) of the budget of Horizon was assigned to these two organisations.

To get an idea on how dependent an organization is on support from Horizon, Regular Beneficiaries are asked to report how much of the total support received came from Horizon. In this respect MET states that in 2022 22% (2021: 21%) of the total MET budget came from Horizon.

Caucasian House reported that in 2022 100% of its budget for social cultural activities came from Horizon. In addition, it should be noted that ca 45% of the total salary costs of Caucasian House was paid by Horizon, with the second largest sponsor covering 15% of the salary costs. In 2021, these percentages were 45% and 15% respectively.

In addition to the organisations mentioned above, there are several organisations, such as OYO, YONA, Foundacia Remi and Kiebitz, that Horizon has also supported for many consecutive years, but technically cannot be regarded as Regular Beneficiaries as Horizon has not assigned them a fixed annual budget.

The Board is well aware of the advantages as well as the disadvantages of this type of long term relationships. An advantage is the mutual trust that has been built up over a period of more than 25 years, which explains the almost complete absence of failed projects during that time. Disadvantages are the possible lack of incentives for beneficiaries to obtain funds from other donors, which could put them in very difficult financial situation if, for whatever reason, Horizon decides to change its support policy in the future. A long term relationship gives rise to the discussions on the continuity and viability of the Beneficiaries and the dependency/succession of key staff in particular. All these aspects are regularly discussed in the context of meetings

of the Project Committee and during onsite visits to and/or video calls with the Beneficiaries.

Helping Beneficiaries to find other sponsors has become a more important part of the relationship and is part of Horizon's new strategy.

### ***Impact of inflation on Beneficiaries***

2022 was marked by high inflation. Not all beneficiaries were affected by increased prices to the same extent, but Horizon noted that some beneficiaries experienced difficulties because of higher prices. In order not to jeopardise the (full) implementation of projects, the Project Committee decided that upon receipt of a reasonable application from a Beneficiary on a given project where it can be established that there is a problem with inflation, Horizon looked at it generously.

### **Contact with Beneficiaries**

#### *Internationales Jugend- und Kulturzentrum "Kiebitz,"*

On 10 May 10<sup>th</sup> the Office and sponsor visited Kiebitz in Duisburg, where they were given a short tour through the building and attended a rehearsal of a stage performance.

The Kiebitz Director will soon reach retirement age and her succession was discussed. There are currently no designated candidates to succeed her. It could either be someone from within the Kiebitz organization or someone nominated by the City of Duisburg. The latter has an important stake in appointing the new director as it pays the director's salary. Horizon understands this but has indicated that as one of Kiebitz' biggest sponsors it wants to be involved in the succession in some way.

#### *Caucasian House*

From June 8 until June 11 Horizon visited the Caucasian House in Tbilisi, Georgia. It was informed that by the end of June, the term of managing director will end, after which he will join the Caucasian House's Board and focus mainly on fundraising. A successor has already been appointed. In addition, the chair of the Board will step down, but she will remain a member of the Caucasian House Board. She will be succeeded by a highly experienced member from the organisation's own ranks. Horizon knows this person well and is confident that this person will assume the position of chairman very well.

Horizon had discussions with the board on its planned activities for next year and marketing strategy to further increase their name awareness and to improve the Caucasian House brand. On the geopolitical front, tensions abound. The political situation in Georgia and the Caucasus as a whole is unstable, and the war in Ukraine is also a cause for concern.

On Friday June 10<sup>th</sup> Horizon travelled east to Nukriani to visit the new weekend school. Despite the fact that the school in this remote region often suffers from electricity cuts and loss of water pressure, the new location and modern building offer a lot more possibilities to setup a comprehensive and better programme for the children.

During the visit Horizon learned that there is little interest from parties other than Horizon in sponsoring cultural and educational activities

#### *Traditions pour Demain, Switzerland/Latin America*

On 18 October, Horizon visited Traditions pour Demain (TpD) in Geneva, where it met and had lunch with the organisation's president, director, project coordinator and founders.

TpD gave update on the organisation, in particular regarding the transition process and the changes in the board and secretariat. TpD also announced that it will move

to another office in Geneva, to the same building as its main donor. This relocation represents not only a reduction in costs, but also the possibility of creating synergies that will be beneficial for the future of TpD.

TpD gave an update on a recent field trip to Guatemala and Ecuador where they visited one of projects sponsored by Horizon.

TpD presented its 2021-2024 strategy and reiterated that there will be no major changes, except in advocacy activities, which will fade into the background for now as TpD wants to focus more on raising awareness among the Swiss and relevant institutions. Communication and fundraising will be a core challenge in the new configuration. TpD is also in the process of being re-certified by Zewo, a Swiss label that guarantees the transparent management of the organization

### **Other Beneficiaries**

For the other projects, the sponsors and/or the Office had regular contacts with the beneficiaries via e-mail correspondence and/or digital meetings.

Amsterdam, June 24, 2023